

VISN 23 NETWORK DIRECTOR TESTIMONY DRAFT 8/19/03
IOWA AND NEBRASKA
CARES MARKET PLANS
SEPTEMBER 4, 2003

[Introduction] Dr. Kendall, Mr. Vogel, Ms. Fergusen, Mr. Ray, CARES Commission staff, and distinguished guests, I am Robert A. Petzel, M.D., Network Director of the VA Midwest Health Care Network, Veterans Integrated Service Network #23, referred to as VISN 23. I am pleased to testify on the Iowa and Nebraska CARES Market Plans developed by employees who provide compassionate care for veterans and stakeholders who tirelessly work to improve veteran services. My testimony will cover three points. First, I will describe the CARES markets studied; second, I will briefly summarize the VISN 23 CARES planning process, and third; I will explain our recommended solutions to the CARES planning initiatives.

[The Markets] In order to develop CARES Market Plans, the VISN was divided into five markets, primarily along state boundaries, but with some deviation based on historical referral patterns. The Iowa market area includes counties in western Illinois and all counties in Iowa except the western counties. The market includes the Iowa City VA Medical Center and the VA Central Iowa Health Care System, formed in 1997 from the integration of VA medical centers at Des Moines and Knoxville, Iowa. Area veterans also have access to seven community based outpatient clinics located throughout the largely rural state. The number of veteran enrollees is projected to decrease in the Iowa market area by seven percent to 69,000 between now and 2022. The percent of the veteran population enrolled in VA health care, referred to as the market share, is projected to increase from 25 percent today to 37 percent in 2022.

The Nebraska market area includes most of the central and eastern counties in Nebraska and southwestern Iowa. The VA Nebraska/Western Iowa Health Care

System, formed in 1999, integrated three VA facilities located at Omaha, Grand Island, and Lincoln, NE. Omaha serves as the tertiary center and Grand Island as a nursing home and community based outpatient clinic. Other community based outpatient clinics are located at Lincoln, Norfolk and North Platte. The number of veteran enrollees is projected to decrease 16 percent to 44,000 by 2022. The market share is projected to increase from 27 to 34 percent.

[The Process] The Network's CARES planning process was designed to involve as many employees and stakeholders as possible in determining where VA services are offered in response to VA issued planning initiatives. Guiding the process was the Network Steering Committee whose membership included stakeholders such as the Director, Nebraska Department of Veterans Affairs, Past National Commander of the Disabled American Veterans, Lead Agent from DoD Regional Health Services Operations, and the Past National Commander of the American Legion. Representatives from employee unions, the Veteran Benefits Administration and the National Cemetery Administration served not only on the steering committee but also on CARES area market planning groups called CAMP Teams. Each of the five CAMP Teams in the VISN developed a CARES plan for its market area based on enrollment projections, projected gaps in services, assessment of facility conditions and employee/stakeholder suggestions.

[Small Facilities Recommendations] Small facility issues were studied in the Iowa market at Des Moines and Knoxville. Both sites are projected to need less than 40 acute care hospital beds in 2012 and 2022 due to declining veteran enrollment.

VISN leadership endorsed the Iowa CAMP Team's proposal to close all inpatient, intermediate medicine and rehabilitation beds, nursing home care, and domiciliary care at the Knoxville division and shift the workload to the Des Moines division. Acute medical and surgical beds for both sites were already located at

Des Moines, the most densely populated city in the market. Shifting the acute psychiatry beds operated at Knoxville to Des Moines would raise the projected level of acute inpatient beds at Des Moines to exceed the threshold requirement of 40 beds and remove its small facility issue.

Clinical providers supported the idea to locate all acute care at one site because they have experienced an increased collaboration between medical care, psychiatry and nursing home care as patients move through the continuum of care. The complexity of managing these patients will be enhanced through the consolidation of bed services to a single campus.

Consolidation would also result in more effective use of current available space. The existing 60-year-old nursing home building at Knoxville is in need of major renovation to meet Joint Commission standards. Constructing a new \$8M nursing home at Des Moines to replace the one at Knoxville will enable us to locate a nursing home closer to the veteran population center and build a facility specifically designed for nursing home care.

[Access to Care] Even though VISN 23 operates 36 community based outpatient clinics, no market in the VISN met the access criteria where 70 percent of the veterans are within the recommended travel time distances from VA provided primary care. Veterans in VISN 23 have less access to VA primary care than other VISNs due to the larger geographic area and scattered veteran population in rural and highly rural areas. As proposed in the draft National CARES Plan, veterans will have improved access to primary and mental health care if new community based outpatient clinics are approved for locations in Carroll, Marshalltown, Cedar Rapids and Ottumwa. While new access points are also proposed in the National Plan for the Nebraska market, they are in the second priority category at this time.

We believe that additional community based outpatient clinics proposed for the Nebraska market should be moved into the first priority grouping. Central and western Nebraska are highly rural areas with few options for health care. Much of the large geographic area is designated as medically underserved and sparsely populated with incomes lower than national averages. Adding VA community based outpatient clinics proposed for the Nebraska market will help improve accessibility to health care for the area.

Access to inpatient hospital care will improve in the Iowa market with proposed contracts in Cerro Gordo, Scott, Dubuque and Blackhawk counties. The Nebraska market met hospital access standards with current capabilities although we are recommending contracting for hospital care in Scottsbluff, NE through the South Dakota market plan.

[Outpatient Services] The largest gap between current and projected workload was for outpatient specialty care services where a 12 percent increase was projected for the Nebraska market between now and year 2022. As a result, plans were proposed to accommodate the projected growth. The Nebraska/Western Iowa Health Care System plans to construct a new outpatient surgical center and suite at Omaha for an estimated cost of \$3.3M, plus contract for outpatient care in the community at Lincoln and Grand Island. A significant growth of 38 percent in specialty care workload is projected in the Iowa market. VA Central Iowa Health Care System proposes \$3.4M in new construction, and \$1.5M renovation project at Des Moines, and a \$500,000 renovation project at Knoxville. Renovation and new construction totaling \$4.6M will provide additional specialty care space at Iowa City.

Primary care outpatient services will also increase due to the projected growth in workload in the Iowa market. The VA Central Iowa Health Care System will renovate and construct new space at a cost of \$3.6 M at Des Moines and renovate space at Knoxville at a cost of \$300,000. At Iowa City, \$7M in new

construction projects will provide additional primary care space needed for projected growth in workload.

[Inpatient Services] Inpatient medicine is projected to decline by 39 percent in the Iowa market and 43 percent in the Nebraska market by 2022. The VA Central Iowa Health Care System will renovate space at Des Moines at an estimated cost of \$600,000 to accommodate additional Knoxville referrals, and new construction and renovation for ancillary space at an estimated cost of \$4M. The VA Nebraska/Western Iowa Health Care System plans to renovate intensive care unit space for \$2M. The renovation was included as part of a project selected as VISN 23's first priority in a recent submission to a VA Central Office call for major projects.

[Vacant Space] With the shift of inpatient care from Knoxville to Des Moines, a significant number of vacant buildings remained by year 2022. In total, the two markets propose to demolish 452,000 SF, out-lease 31,000 SF and divest 30,000 SF.

[Collaborations] We propose to collaborate with Veteran Benefits Administration at Lincoln and Des Moines by collocating the Veterans Benefits Administration regional offices on the medical center campuses. The Des Moines collaboration is an enhanced use development project to relocate the Veterans Benefits Administration Iowa Regional Office from the Federal Building in downtown Des Moines to the medical center campus. The VA Nebraska/Western Iowa Health Care System is exploring collocation with Veterans Benefits Administration on the Lincoln campus. Veterans Benefits Administration central office identified both projects as medium priority scheduled to occur sometime between 2011 and 2016. A community based outpatient clinic is proposed at the Offutt Air Force Base; however, the clinic location was not placed in the high implementation category.

[Summary] The CARES planning process provided the tools, long-range data projections and opportunities to collaborate and plan with the Veteran Benefits Administration, National Cemetery Administration, Department of Defense, academic affiliations, veterans groups and employees unlike any other planning process undertaken by the Department of Veterans Affairs. The recommendations proposed will help us manage our capital assets more efficiently and align resources to better meet the needs of veterans. We are pleased with the proposed capital investments to improve and modernize the infrastructure of existing buildings, replace a nursing home in a more densely veteran populated area, and construct new additions for the expanded projected outpatient workload. We look forward to your endorsement of the CARES plans for the Iowa and Nebraska markets.